



What Do Employees Know About Disability Insurance?



We quizzed employees who are offered disability insurance at work on their understanding of this product.

- ▶ Fewer than **2 in 3** workers can correctly identify what the product is – insurance that replaces lost income if a person cannot work due to disability.
- ▶ Even employees with disability coverage struggle with this question!
- ▶ Only **43%** recognize that short-term disability insurance usually provides paid leave after routine childbirth, even though this is a valuable and commonly used feature.
- ▶ When asked who should purchase disability coverage, only **38%** of employees understand that anyone with a job who relies on their income should have it. *(Many people think it is appropriate for “anyone” regardless of employment status.)*

Employees also underestimate the risk of becoming disabled.



- ▶ Only **23%** of employees recognize that a 20-year-old worker has a 1 in 4 chance of becoming disabled before they retire.* *(Most either underestimate this risk or cannot even hazard a guess.)*
- ▶ **12%** of employees correctly estimate that back or joint pain is the leading cause of disability.* *(Most expect serious accidents or illnesses to be the most common driver.)*
- ▶ A mere **8%** of employees understand that fewer than 5% of disabling accidents or illnesses are work-related *(and therefore covered by Workers’ Comp)*, leading them to mistakenly expect that this program will provide them with a safety net.*

Despite the industry’s communication efforts, there is still widespread misunderstanding about the need for disability insurance at the workplace, contributing to low employee participation in these products.

Data is from a LIMRA survey of over 2,000 employees conducted in December 2017.

* Council for Disability Awareness, http://www.disabilitycanhappen.org/chances_disability/disability_stats.asp

